

SENATE BUDGET COMMITTEE

KENT CONRAD, CHAIRMAN

EMBARGOED UNTIL:
11:06 AM EST, Saturday, February 9, 2002

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SENATE BUDGET COMMITTEE CHAIRMAN KENT CONRAD (D-ND) DELIVERS DEMOCRATIC WEEKLY RADIO ADDRESS

Saturday, February 9, 2002

Hello. I'm Senator Kent Conrad of North Dakota, chairman of the Senate Budget Committee.

I've never been more proud to be an American than I have these past months, as our nation responded to the attacks of September 11th. Our people have pulled together. We have had important military successes in Afghanistan. We've strengthened our security here at home. Our nation is united and strong.

The President has just delivered his budget to Congress. He asked for substantial increases in defense, and homeland security. Congress will stand shoulder to shoulder with the President in our war against terror. Our enemies must have no doubt that we are united in defense of this nation.

But part of national security is economic security. The problem with the President's budget is that his plan will return us to deficit spending - not just today, but for years to come.

Last year, the President told us we could have it all - a massive tax cut, pay off virtually all of the national debt, provide more money for education, defense, and prescription drugs....and still fully protect the trust funds of Medicare and Social Security.

Last year, Democrats warned that his plan did not add up, and would doom us to years of deficit spending, while raiding the Social Security and Medicare trust funds.

Now that danger is becoming a reality. Our surpluses are gone, and the President's ten-year budget plan takes every penny of the Medicare trust fund balance and most of Social Security's to fund other government expenses, leaving a massive IOU, and claiming surpluses when the only money left is in the Social Security trust funds. That's exactly how Enron got into trouble - hiding its debts. The consequences were disastrous.

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But the President's budget makes the Enron mistake - understating our debt and endangering retirement benefits.

The President says the reason his plan did not work out is because of the recession and the attacks on America. But that is not the full story. While the war effort and recession have contributed to the nation's budget problems, the Congressional Budget Office told the Budget Committee just two weeks ago that the biggest reason for a return to deficits and increasing debt is the size of the tax cut the President pushed through Congress last year.

The consequences to the nation are severe:

- Instead of nearly paying off the debt by 2008, the debt will stand above \$3 trillion.
- Instead of fully funding the bipartisan education bill the President signed just one month ago, the President's budget cuts funding for those programs.
- Instead of keeping the promise Republicans and Democrats made to provide prescription drugs under Medicare, the President's budget cuts the funding by 37 percent.
- Instead of providing sufficient resources to build roads and bridges across the nation, the President's budget cuts highway money by \$9 billion.
- But most important, instead of protecting the trust funds of Social Security and Medicare, the President's budget takes \$2 trillion from them to pay for his tax cuts and other expenses over the next decade.

The stakes could not be higher. This nation is about to be hit with a tidal wave of new retirees. In just six years, the baby boomers will begin to retire. The demands on Social Security and Medicare will be dramatically increased. This is no time to divert Social Security and Medicare funds to other purposes.

So just as we have resolved to strengthen our national security, we as a nation must make hard choices to build our economic security. We must be honest about the reality of deficits. We must protect Social Security and Medicare. We must return to budget discipline, pay down our debt, and prepare for the future. And we must not shift the burden of debt to the next generation. As we fight for a world free from fear, we must work for a future free from endless deficits.

This nation is unified and strong. Our common challenge is to keep it strong.

Democrats in Congress stand united with the President in the war on terrorism. Our commitment must be to defend this nation, but also to safeguard its economic security. And that means respecting the integrity of the trust funds of Social Security and Medicare.

This is Senator Kent Conrad of North Dakota. Thanks for listening.

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